**China Rush to U.S. Colleges Reveals Predatory Fees for Recruits**

*By Daniel Golden - May 22, 2011*

Leon Lin was ecstatic when he found out he’d be leaving home in southern China to study at the University of Connecticut. As the Chinese agent whom his parents paid $5,000 to help him get into the school told him, the university’s flagship campus at Storrs was a highly ranked institution, with 25,000 students and ready access to [Boston](http://topics.bloomberg.com/boston/) and [New York City](http://topics.bloomberg.com/new-york-city/). And eventually Lin would return home with the status and career advantage of a U.S. degree.

It never crossed his mind that he’d pay $47,000 a year to live in an almost empty country inn and attend classes five miles down the road at a UConn satellite campus comprising two buildings and 250 students. He shares a room and a microwave with his only compatriot on the Torrington campus, Li Rirong, a fellow freshman with similarly dashed dreams.

“I didn’t know there was a regional campus,” said 20-year- old Lin. “I knew there were lots of [international students](http://www.disp.uconn.edu/) at Storrs. I said, ‘Torrington campus, what the hell?’”

Lin and Li reflect the most extreme result of an industry burgeoning from the fourfold rise since 2006 in the number of Chinese undergraduates at U.S. colleges. More than 400 agencies licensed by the Chinese government, and many others that aren’t, cater to families eager to see their children gain the prestige of a U.S. degree. For thousands of dollars, agents help fill out applications, ghost-write essays and arrange visas.

U.S. Ties

These agents also often misrepresent or conceal their U.S. affiliations. They receive payments not only from the families, who even pony up a share of any scholarships awarded to their children, but also from an increasing number of colleges, as well as small operators seeking to profit stateside from the influx of Chinese students.

Eager to mine a newly affluent [China](http://topics.bloomberg.com/china/), the [State University of New York](http://topics.bloomberg.com/state-university-of-new-york/), Tulane University in [New Orleans](http://topics.bloomberg.com/new-orleans/) and scores of other schools are starting to pay agents a commission for each student enrolled -- an incentive that’s banned when recruiting U.S. students.

The upshot is that some Chinese students end up paying at least twice as much as their American counterparts to go to colleges that aren’t necessarily the best match for them.

“We’re pretty much against commercial recruiting agents,” said [Alina Romanowski](http://www.state.gov/r/bios/154669.htm), deputy assistant secretary for academic programs at the U.S. State Department, which offers free college advising abroad through its EducationUSA arm. “We want to make sure people don’t have to pay for” information about college, she said. “It’s out there, it’s available, and we provide it.”

**Horses, River Rafting**

In Lin and Li’s case, their agents were working with a former U.S. Treasury investigator-turned-real-estate-developer. He aimed to recruit Chinese students to attend campuses like [Torrington](http://torrington.uconn.edu/vt/campus.html) that lack their own housing, and enlist them as rent- paying tenants. At least one of the agents in China and the developer represented themselves to students as having a relationship with the University of [Connecticut](http://topics.bloomberg.com/connecticut/) -- a relationship that never existed.

The developer, Timothy Martin of Granby, Connecticut, also promised the young men access to flight training, equestrian lessons, river rafting and other recreations, none of which materialized. Lin and Li each pay his firm $22,200 a year for room and board at the inn -- about $9,000 more than it would cost them to live in a dormitory at Storrs. That’s on top of about $25,000 they each pay in out-of-state tuition, three times the in-state rate.

**The Real Thing**

Martin said his company has given Lin and Li value for their money.

“We’re not selling RC Cola in China and saying it’s Coke,” he said. “We’re selling Coke.”

So far, Lin and Li’s experience in the U.S. has been one of isolation and frustration. Torrington has no other foreign students, and little in the way of English-language help. “It’s just a desert for them here,” said Christine Mosman, Torrington’s student affairs coordinator. “It’s so sad.”

China passed [South Korea](http://topics.bloomberg.com/south-korea/) in the 2009-2010 academic year as the leading source of international undergraduates at U.S. colleges, accounting for almost 40,000 students, according to the [Institute of International Education](http://www.iie.org/), a New York-based nonprofit group. China’s one-child-per-family policy and its growing wealth mean middle-class families there can afford U.S. tuitions that far exceed the cost of Chinese universities.

**Few Counselors**

About 80 percent of these students use agents, according to a May 2010 report by [Zinch China](http://www.zinch.cn/), an online social network that matches Chinese students with colleges and scholarships. Since placement at domestic universities is determined by an entrance exam, Chinese high schools rarely provide guidance counselors, and agents fill the gap for students looking overseas.

The system works well for many Chinese applicants whose agents take into account their academic records and personal preferences and guide them to appropriate U.S. colleges.

One of China’s biggest agencies, Guangzhou-based EIC Group, charges $4,000 to $6,000 -- depending on the ranking of the colleges -- for a maximum of six applications, plus $150 to $300 for each additional application, according to a contract reviewed by Bloomberg News. If students don’t pay fees on time, EIC can withhold letters of acceptance and visa documents. “All the negative consequences are borne by the client,” the contract states.

Students must also pay 10 percent of any college scholarships or financial aid to EIC. “Anything wrong with that?” said Albert Li of EIC’s U.S. department in Beijing. “It’s an award for our writer, for the consultant, it’s kind of encouragement.”

**Scholarship Share**

For agents to benefit from financial aid is “horribly wrong,” said Yenbo Wu, associate vice president for international education at [San Francisco State University](http://www.sfsu.edu/future/apply/international.html). “That money shouldn’t be collected. That’s for students.”

EIC is certified by the [American International Recruitment Council](http://www.airc-education.org/), a Bethesda, [Maryland](http://topics.bloomberg.com/maryland/), nonprofit organization that helps colleges vet agents. Founded in 2008, the council has 129 member colleges and reviews agents for legal, financial or ethical problems.

Agents are entitled to a share of scholarship money, said the council’s executive director, John Deupree. “When you go to a restaurant, you’re supposed to tip on the full price even if you have a coupon, because the waiter does the same amount of work,” he said.

Audrey Li, 19, a Beijing high-school graduate seeking to study art and architecture, agreed to pay her agent more than $3,000, plus 10 percent of any financial aid.

**‘That’s Robbery’**

After she was admitted to Hobart and William Smith Colleges in Geneva, [New York](http://topics.bloomberg.com/new-york/), the agency missed the Jan. 1 application deadline for a $20,000 merit scholarship. She begged the college for another chance, and was awarded the scholarship, plus $15,000 in additional aid. Because of its mistake, the agency waived its $3,500 share, Li said.

“The agent has absolutely no reason to take any amount of any student’s scholarships since the money is supposed to be awarded solely toward the student,” she said. “Some other agents even take 15 percent -- that’s robbery!”

U.S. colleges are prohibited from paying incentives to recruit students who qualify for federal financial aid. There’s no such ban on recruiting international students, who are ineligible for federal grants and loans.

EIC’s clients include Drexel University in Philadelphia and San Diego State University. The [American Language Institute](http://www.americanlanguage.org/) at San Diego State’s College of Extended Studies pays the agency 15 percent of tuition, or commission of $299.25 to $897 a semester, for each student recruited to an English-language program, including five students this term, spokeswoman Gina Jacobs said. The institute doesn’t provide scholarships, she said.

**$8 a Day**

Some of the services provided by agents in China violate ethical standards for college admissions in the U.S. About 90 percent of recommendation letters for Chinese students are fake and 70 percent of essays aren’t written by the applicant, according to the Zinch China report. “Many agents in China have folders full of ‘successful’ essays, which they tweak each year,” Zinch China Chairman Tom Melcher wrote. “Others hire recent returnees to write essays.”

One former employee of an agency in eastern China was paid $8 a day to craft essays in 2009-2010 for 20 applicants to U.S. colleges, she said, asking not to be identified. All of them were admitted, she said.

Most of the applicants planned to major in finance or accounting, so for them she wrote essays describing how the student had been motivated by reading a biography of a famous American businessman such as [Bill Gates](http://topics.bloomberg.com/bill-gates/), she said in a telephone interview. For recommendations, teachers’ names were signed without their knowledge, and extracurricular credentials such as student-union president were made up, said the 23-year-old.

**‘Pay for Success’**

U.S. colleges are flocking to use agents that recruit in China. Doing so allows them to boost international revenue while avoiding the up-front expense of sending their own admissions staff.

Aiming to increase international enrollment to 32,000 from 18,000, the State University of New York system has accepted bids from agents, including five in China, whom it will pay 10 percent of first-year tuition for every student recruited. International students at the New York system pay tuition of $13,380, more than 2 1/2 times the [in-state rate](http://www.suny.edu/student/paying_tuition.cfm).

Because SUNY “doesn’t have a lot of liquidity to invest in recruitment,” it makes sense to “pay for success,” said Mitch Leventhal, vice chancellor for global affairs. SUNY will make sure applicants know that their agents are paid by the university, he said.

**Tulane, Rutgers**

At least 80 American schools have signed up with IDP Education since that agency -- half-owned by 38 Australian universities and half by online employment firm [Seek Ltd. (SEK)](http://www.bloomberg.com/apps/quote?ticker=SEK:AU) -- began recruiting international students to U.S. colleges in 2009. Schools including Tulane, Rutgers in [New Brunswick](http://topics.bloomberg.com/new-brunswick/), [New Jersey](http://topics.bloomberg.com/new-jersey/), and Embry-Riddle Aeronautical University in Daytona Beach, [Florida](http://topics.bloomberg.com/florida/), pay IDP $2,500 for each enrollment.

IDP charges some students in China from $3,000 for community colleges to $7,000 for top-30 colleges, and takes 10 percent of any financial aid or scholarship, according to a contract reviewed by Bloomberg News. Because IDP isn’t licensed to operate in China, it forms partnerships with agents there, “and it is really their contract that the students have to sign,” spokesman Matthew Ulmer said in an e-mail. Revamping its China operation is a company priority, he said.

**Whac-a-Mole**

Agents’ practices in China have raised alarms at the U.S. State Department and elsewhere. The department’s [EducationUSA](http://educationusa.state.gov/) wing stopped contracting with institutions in China for college counseling in 2009 after finding that some of its partners were acting as agents or receiving commissions from agents or U.S. universities.

Agents “may lead students to choose a college or university that will not meet their needs,” according to an August 2009 policy.

Lauryne Massinga, EducationUSA’s regional education advising coordinator for China, said that as soon as it warns one agent to stop using its logo, another starts. “It’s like the game Whac-a-Mole,” she said.

The [National Association for College Admission Counseling](http://www.nacacnet.org/Pages/default.aspx), an Arlington, Virginia, nonprofit group for admissions professionals, issued a statement last week that paying recruiters to increase enrollment isn’t appropriate domestically or internationally, said NACAC Executive Director Joyce Smith. “Some schools are using agents as a quick fix,” she said.

**Relationship Building**

Fifteen schools, including Wake Forest University and the [University of Maryland](http://topics.bloomberg.com/university-of-maryland/), have joined an alliance called [CNA-USA](http://www.cna-usa.com/cna_en/aboutus.html) to bypass agents and build relationships directly with Chinese high schools, said Richard Hesel, principal of Art & Science Group, a Baltimore-based consulting firm that helped set up CNA- USA last year. Representatives have visited high schools in [Guangdong province](http://topics.bloomberg.com/guangdong-province/), conducted application workshops for students, and provided college counseling at no cost to the families or high schools, Hesel said.

The [University of Connecticut](http://topics.bloomberg.com/university-of-connecticut/), which has increased international enrollment from 25 to 128 in five years, sends admissions staff to China. “We tell students, ‘We don’t have agents,’” Lee Melvin, vice president for enrollment planning and management. “They can’t call on your behalf. They can’t write essays on your behalf. We’ll build our international population ourselves.”

That didn’t protect Lin and Li. They were steered to an empty inn and a branch campus meant for commuters by their Chinese agents and Martin, the former federal investigator.

**‘Clever Guy’**

In an interview at a Friendly’s restaurant in Windsor Locks, Connecticut, Martin, 49, talked about how earlier that morning, his car had broken down as he was taking two of the four Chinese high-school students who live and pay rent in his Granby home to a standardized test.

Born in [White Plains](http://topics.bloomberg.com/white-plains/), New York, Martin attended Manhattan College in the Bronx, served three years in the Coast Guard, and then became a Treasury agent investigating [money laundering](http://topics.bloomberg.com/money-laundering/).

He left the government in 1995 because it was “busting my chops” about how he could afford his Westport, Connecticut, home on Long Island Sound, he said. Outside income as a builder paid for the home, he said. “I walked away clean.”

Martin “is a clever guy in an unconventional sense,” said Richard Klugman, a former Treasury colleague.

Martin embarked on a career in real estate, which included renovating a crack house in Torrington into a hotel. Two of his properties went into foreclosure in the past three years as real estate values plunged nationwide.

He formed [American International Student Centers](http://www.admissionsquest.com/cfm_Public/pg_SchlInfo2.cfm/SchlID/1139/School/The-American-International-Student-Centers) in early 2010, run out of his house. Martin’s partner, a native of China, hires agents there on commission, including the companies that brought Lin and Li to Torrington.

“I have a lot of connections” among agencies in China, said the partner, who asked not to be identified.

**‘Sort of Tricking Them’**

American International Student Centers started by supplying Chinese students to Connecticut high schools. It has enrolled 14 international students at Woodstock Academy, which serves as a free public school for the area. Foreign students pay $11,201 in out-of-district tuition and $4,000 in English training if needed, said Woodstock headmaster Kim Caron. American International Student Centers, which places the students with local families or rents housing for them, charges them about $25,000 for room and board, Martin said.

American International’s website bills Woodstock as “formerly a Yale Prep.” Martin based the description on a Wikipedia entry stating that Woodstock had an informal connection with Yale until 1956.

“That’s all the Chinese need to hear,” Martin said. “I’m sort of tricking them. They’re going to a public school. But they’re happy with it.”

**Declining Enrollment**

Caron asked Martin this month to take down the “Yale Prep” description. “That is not accurate,” the headmaster said. “We were not ever known as Yale University Prep School.”

There is no record in Yale’s archives of a relationship with Woodstock, said Judith Ann Schiff, the university’s chief research archivist. Two major histories of Yale don’t mention the academy, and it was not among the 17 active prep school clubs at the university in 1910, she said.

The [Gilbert School](http://www.gilbertschool.org/) in Winsted, Connecticut, is in discussions with Martin to import 20 foreign students, said Superintendent David Cressy. “Enrollment has been declining,” he said. “If you don’t want to make difficult cuts in programs, you look for other sources of revenue.”

When his partner told him that some Chinese parents wanted to send their children to U.S. colleges as well, Martin had the idea to recruit Chinese students to UConn’s Torrington campus and put them up at the [Tollgate Hill Inn](http://www.tollgatehill.com/) in nearby Litchfield. Martin had discussed leasing the Tollgate, one of the 50 oldest inns in the U.S., from owner John Pecora, an old friend. “It’s very slow up here during the winter,” Pecora said.

**‘Upscale’ Housing**

Martin said he didn’t worry that the Torrington campus lacked resources for foreign students. “The Chinese only care about the ranking.” He charges more than university housing because the inn is “upscale compared to what they get at Storrs,” he said.

Martin broached his idea with two UConn staff members at the Torrington campus last June 23, and asked for authorization on university letterhead to solicit applicants, according to e- mails reviewed by Bloomberg News. Torrington officials referred his request to Melvin, the vice president for enrollment planning, who denied it within a month, they said.

Martin’s partner began approaching agents in China anyway, offering one of them $1,000 per student. The company was also purporting to be affiliated with UConn. An agent wrote the university seeking confirmation that American International Student Centers was representing it. The agent attached a letter she had received from the company. It carried the UConn seal and asserted that “special consideration will be given to students applying through the AISC for the Torrington campus.”

**54 Credits**

“I overstated my boundaries,” Martin said, adding that he assumed at the time that he had an agreement with UConn.

The letter from Martin’s company also guaranteed that Torrington students could [transfer](http://transfer.uconn.edu/) to Storrs after one year. Most students need 54 credits to transfer, or almost two years’ worth, Torrington admissions counselor Dana Forchette said.

Melvin shot off a warning to Martin. “As we have repeatedly indicated, the University of Connecticut hasn’t agreed to any special arrangements or partnerships with AISC, nor have we agreed to extend preferential treatment to applicants through your programs,” he wrote in an Aug. 16 letter. Use of UConn’s seal, he wrote, “should be discontinued at once.”

Martin was sorry for “any misuse that might have occurred,” he answered in an Aug. 30 e-mail. He said he was asking the company’s representatives to remove UConn logos from their correspondence.

**College Fair**

More than three months after Martin’s apology, Lin was billed $22,200 to pay American International Student Centers for room and board at the inn, according to an invoice reviewed by Bloomberg News. The Dec. 16 bill displayed the university seal and was headed, “University of Connecticut Office of Undergraduate Admissions.”

The misrepresentation wasn’t Martin’s fault because agents in China billed the students and forwarded the money to his company, he said.

Beijing Star Overseas-Study Service Co., the agent for Lin’s roommate, Li, feigned a connection with the University of Connecticut in March at one of China’s biggest college fairs.

At the [China International Education Exhibition](http://www.cieet.com/en/index.asp), employees of Beijing Star, a state-owned company under the China Council for the Promotion of International Trade, set up a UConn booth and handed business cards to throngs of Chinese students. The cards featured UConn’s oak-leaf logo and Web address and the title of “director of admission” at the university’s “China liaison office.”

**Misunderstanding**

In a pitch on the site Nihao Wang, where Chinese students search for universities, Beijing Star labels its own phone number as “UConn Beijing’s Office Number.”

Beijing Star hasn’t posed as an official representative of UConn, Yang Jingfeng, who handles market promotion for America, said in a telephone interview. “This is a misunderstanding,” said Yang, who had a “director of admission” business card at the fair.

Martin said he was unaware until after the college fair that Beijing Star was calling itself UConn’s China office. While he would have discouraged that tactic, “I don’t believe UConn owns its logo in China,” he said. “I don’t think Beijing Star is breaking the law.”

While UConn officials didn’t endorse American International Student Centers, they told Martin that his recruits were welcome to apply. Three were enrolled at Torrington for the semester that started in January. One female student refused to go, complaining she had been misled. The university found housing for her at [Storrs](http://www.uconn.edu/storrs-campus.php).

**Hotel Living**

That left Li and Lin in the Tollgate’s newest building, a 1992 colonial, where their room has become an island of college life, littered with clothes and the remnants of old meals. They sometimes study in the lower ballroom.

Interviewed in the lobby, they said they come from middle- class families. Lin’s father is a civil servant; Li’s, a businessman.

Lin didn’t know he was targeted for Torrington until he received his student visa, he said. When he told his agency, Academic [Asia](http://topics.bloomberg.com/asia/) China, that he wanted to transfer to Storrs, it had him send an e-mail to Martin’s partner at American International Student Centers. “I thought AISC was part of UConn,” the student said.

Lu Yuan, America program director for [Academic Asia China](http://www.academic-asia.co.uk/HOME.htm), said he believes that UConn-Torrington is cooperating with Martin’s partner. “This situation is quite common throughout American universities,” he said.

**Main Campus**

Lu acknowledged that Lin -- and the female student, also represented by Academic Asia, who refused to attend Torrington - - “didn’t know which campus they were going to. From our point of view, we wanted them to apply for the main campus.” Academic Asia’s agreement with Martin’s partner is “under discussion,” Lu said. “The student feedback was not very good, so we are not in a situation of cooperation.”

Li, a 18-year-old from Beijing, paid Beijing Star $2,300. While the agency did tell Li he would start at Torrington, it said he could transfer to Storrs after a year. “I didn’t know I had to have 54 credits,” he said.

An American International Student Centers Internet [slide show](http://www.asianeducationconnection.com/files/utorringtonpdf.pdf) touting the Tollgate Inn and Torrington encouraged Li to enroll, he said. The show featured opportunities for skiing, snowboarding, flight training, equestrian and fly-fishing lessons, river rafting, crew and lacrosse.

Asked if Martin provided these pastimes, Li said, “Never.”

**‘Copied and Pasted’**

Li and Lin didn’t take advantage of the offers, Martin said. Horseback riding? “They had no interest,” Martin said. Fly fishing? “Not yet. Maybe I’ll take them.” As for crew and lacrosse, “That’s a mistake,” he said. “It’s copied and pasted from high-school Web sites.”

Their academic experience has been disappointing at times for them and for Torrington staff. “During orientation, I was completely stunned at how difficult it was to communicate with them,” Mosman, the student-affairs coordinator, said.

To ease their transition, she enrolled the two finance majors in all the same courses, including math, economics and Asian history, which she figured would be a snap. Instead, the history instructor requires oral participation, and “these two guys won’t talk in class,” she said. “Instructors come to me and say, ‘What do I do?’”

Lin’s grades are “so-so,” he said, and he dropped one class. While Li has an “A” average, he has had to “spend much time” improving his writing and speaking, he said. Both rely on computerized translation programs.

**Boring Life**

They drive to and from campus in a black Nissan loaner from Martin with more than 170,000 miles on it. Because the inn’s restaurant is closed until Memorial Day, they often eat dinner at a nearby Chinese restaurant, they said. Grateful for Mosman’s advocacy, they gave her a present: dried Chinese mushrooms.

Life is “boring,” Li said. “School, restaurant, here. We have some American friends, not very many.”

“Maybe two or three,” Lin said.

Both students sought their families’ guidance. “My parents were angry,” Lin said. Li’s parents told him to “just go with it,” he said.

Martin took back the car May 9, telling them they would have to pay $500 a week to use it for the summer. “Business man still a man. Why can’t [he] show me some humanity?” Lin said. Martin said the fee includes the cost of insuring additional drivers.

**‘BeLIEve’**

On April 7, Melvin instructed the UConn [admissions](http://uconn.edu/prospective-students.php) office to return applications to candidates recruited by Martin, who had lined up 15 for next semester. Martin responded in an e-mail to university officials: “This moron has shut down a program that would have brought Connecticut millions of foreign dollars.”

The FBI is “currently looking into this matter,” Elizabeth Vitullo, a compliance and public information specialist at the university, said in an e-mail response to a Bloomberg request for documents. The FBI declined to comment.

UConn is trying to extricate Lin and Li. Lin expects to transfer to Storrs in September, and Li in January. Li had intended to remain at Torrington and mentor next year’s freshmen from China, Mosman said. He was upset when Melvin told him that UConn would stop admitting Chinese students for Torrington.

Li told Mosman, “’I am very sad, I have ruined it for the other Chinese students,’” she said. “It broke my heart.”

Asked what other Chinese students could learn from his experience, Li reached for a notebook and wrote, “believe.” He then drew a box around the middle three letters: “lie.”

To contact the reporter on this story: Daniel Golden in Boston at [dlgolden@bloomberg.net](mailto:dlgolden@bloomberg.net)

To contact the editor responsible for this story: Jonathan Kaufman at [jkaufman17@bloomberg.net](mailto:jkaufman17@bloomberg.net)

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